

Message Text

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22

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01

PRS-01 /099 W

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R 300102Z JUL 76

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 1421

INFO USLO PEKING

AMEMBASSY TOKYO

AMEMBASSY TAIPEI

AMEMBASSY SINGAPORE

CINCPAC

FBIS OKINAWA

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CINCPAC FOR POLAD

E.O. 11652: NA

TAGS: ECON, ENRG, CH

SUBJECT: PRC ECONOMIC PERFORMANCE FOR THE FIRST HALF-LOW
GROWTH IN OIL PRODUCTION

REF: HONG KONG 4537

1. IN AN ARTICLE ON PRC ECONOMIC PERFORMANCE FOR THE FIRST
HALF OF 1976, THE JULY 28 ISSUE OF HONG KONG'S PRC-OWNED
"ECONOMIC REPORTER" HAS RELEASED THE FOLLOWING NATIONAL
STATISTICS (FIRST HALF OF 1976 OVER THE SAME PERIOD IN 1975);
GROSS VALUE OF INDUSTRIAL OUTPUT UP 7 PERCENT; CRUDE OIL
PRODUCTION UP 10.3 PERCENT; CRUDE OIL PRODUCTION CAPACITY UP
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20 PERCENT; NATURAL GAS UP 16.9 PERCENT; COAL OUTPUT UP

8.2 PERCENT; NEW COAL CAPACITY UP 34.3 PERCENT; (NCNA ENGLISH JULY 12 REPORTED COAL UP 7.6 PERCENT;) POWER OUTPUT UP 11 PERCENT; CHEMICAL FERTILIZER UP 14.5 PERCENT.

2. THE ARTICLE STATED THAT 26 (OUT OF 29) PROVINCIAL LEVEL UNITS REGISTERED INCREASES OF "VARYING DEGREE" IN GROSS VALUE OF INDUSTRIAL OUTPUT OVER FIRST HALF 1975. IT ADDED THAT OF 81 IMPORTANT PRODUCTS, MOST EXCEEDED THEIR HALF YEARLY PRODUCTION PLANS, WHILE OUTPUTS OF 63 SHOWED FAIRLY LARGE INCREASES.

3. COMMENT: "ECONOMIC REPORTER", A CHINESE-LANGUAGE WEEKLY, OFTEN PRECEDES NCNA WITH ECONOMIC REPORTS ON THE PRC. ALTHOUGH AT THIS TIME ANY STATISTICS ARE UNDOUBTEDLY PRELIMINARY AND FURTHER ADJUSTMENTS MAY COME TO LIGHT, THE "ECONOMIC REPORTER" INFORMATION IS SUFFICIENT TO OUTLINE TRENDS. A GROSS INDUSTRIAL VALUE INCREASE OF 7 PERCENT REPRESENTS A DECLINE IN THE GROWTH RATE FROM THE FIRST QUARTER OF THE YEAR, WHEN INDUSTRIAL OUTPUT REPORTEDLY ROSE 13.4 PERCENT (REFTEL). NEVERTHELESS, WHEN THE BASE PERIODS ARE CONSIDERED-IN FIRST QUARTER 1975 PRODUCTION WAS STILL RECOVERING FROM THE EXCESSES OF THE CONFUCIAN-LIU PIAO CAMPAIGN, WHILE BY THE SIX MONTH MARK THE ECONOMY HAD BEGUN TO MOVE INTO HIGH GEAR--A 7 PERCENT RATE OF INDUSTRIAL GROWTH REFLECTS GOOD OVERALL PERFORMANCE THUS FAR IN 1976 AND SUPPORTS THE CONCLUSION THAT PRODUCTION IN THE AGGREGATE HAS NOT SUFFERED PARTICULARLY AT THE HANDS OF THE ANTI-TENG CAMPAIGN.

4. TEN PERCENT GROWTH IN CRUDE OIL OUTPUT CONTINUES A LOWER GROWTH TREND, VIDENT IN THE FIRST QUARTER, FOR THIS IMPORTANT INDUSTRY (REFTEL). HIGHLIGHTING THIS TREND IS THE STATEMENT THAT CRUDE OIL "PRODUCTION CAPACITY" HAD INCREASED 20 PERCENT. WITH CAPACITY INCREASING FASTER THAN PRODUCTION, IT WOULD APPEAR THAT NEW WELLS ARE BEING CONSTRUCTED, BUT NOT BROUGHT INTO OPERATION, WHICH FURTHER UNDERLINES THE LOWER GROWTH RATE AND POINTS TO A DECISION TO KEY OIL EXPLOITATION

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MORE CLOSELY TO DOMESTIC ECONOMIC DEMAND.
CROSS

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Message Attributes

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Decapton Date: 01 JAN 1960
Decapton Note:
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Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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